



PAKISTAN TELECOMMUNICATION AUTHORITY
HEADQUARTERS, F-5/1 ISLAMABAD
Ph: 051-9225328 Fax: 051-9225334

**Enforcement order under sub-section 3 of section 23 of the Pakistan
Telecommunication (Re-organization) Act, 1996 against M/s. Falcon Telekom
(Pvt.) Ltd (Pvt.) Limited**

No. PTA/Finance/CPPS/Falcon Telekom74/2006

Date of Issuance of Show Cause Notice: 2nd July, 2007
Venue of Hearing: PTA HQs, Islamabad
Date of Hearing: 31st August, 2007

The Authority Present:

S. Nasrul Karim Ghaznavi: Member (Finance)
Dr. Mohammed Yaseen: Member (Technical)

The Issue:

“Non payment of Authority’s dues on account of annual license fee
and non-submission of annual audited accounts”

EX-PARTE DECISION OF THE AUTHORITY

BRIEF FACTS:

M/s. Falcon Telekom (Pvt.) Limited (the “licensee”) is a private limited company incorporated under the Companies Ordinance, 1984 and is engaged in the business of Card Payphone services in Pakistan pursuant to the non-exclusive license No. DIR (C)/L/PTA/526/2003 dated 17th June 2003 (the “license”) issued by the Pakistan Telecommunication Authority (the “Authority”) to establish, maintain and operate Card Payphone services in Pakistan on the terms & conditions contained in the license.

2. The licensee has defaulted in payment of the Authority’s dues on account of annual license fee till the years ended on 30th June 2005 amounting to Rs.305,000/- and also failed in providing its annual audited accounts for the years ended 30th June, 2006. In this regard Authority made various requests to the licensee but in vain. Hence, the Authority issued Show Cause Notice dated 2nd July, 2007 under section 23 of the Act requiring the licensee to reply to the Notice

within thirty (30) days of the issuance of the Notice and explain as to why any enforcement order should not be passed under section 23 of the Act, against it. The licensee neither made the payment nor submitted reply to the Notice. Therefore, before passing an enforcement order a Hearing Notice dated 24th August, 2007 was issued and served on the licensee requiring the licensee to attend the hearing dated 31st August, 2007 before the Authority. The show cause notice and hearing notice were served on the addresses of the company and all of its Directors. No show cause notice and hearing notice out of nine (9) addresses have been received back undelivered and all of the notices has been served on the licensee. In response to hearing notice the licensee replied vide its letter dated 27th August 2007, stating that he has never started his services, moreover he requested that his license may be cancelled.

3. Therefore, the Authority has no option but to decide the matter *ex-parte*, on the basis of available record.

(a). The licensee was obliged under conditions 3.1 and 3.2 of the license and sub-regulation (2), (3), (4) and (5) of Regulation 7 of Card payphone Regulations, 2004 to pay annual license fee to the Authority within 120 days from the close of financial year and under condition 2.4 of the modified license the licensee was obliged to submit annual audited accounts to the Authority within three months of closing of financial year, which the licensee failed to comply.

(b) The Authority has been making repeated requests to the licensee vide various letters including letter dated 15th March 2007, 26th March 2007 and final notice dated 19th April 2007, requiring the licensee to make the payments and submit annual audited accounts, but the licensee never responded to these letters nor deposited PTA dues which constitute sheer disregard to the writ of the Authority. In addition to this the operational status report, as provided by Enforcement division, confirmed that licensee is operational.

4. ORDER

4.1. Keeping in view the above mentioned facts and in light of the available record, the Authority hereby decides to proceed *ex-parte* against the licensee by passing the following enforcement order:

- (a) License of M/s. Falcon Telekom (Pvt.) Limited is hereby SUSPENDED for a period of one month or till paying of payable dues till the years ended on 30th June 2005 amounting to Rs.305,000/- and submission of annual audited accounts for the year ended 30th June, 2006, which ever is earlier;
- (b). In case of failure of the licensee to deposit PTA dues as provided in Para 4.1 (a) above, license No. DIR (C)/L/PTA/526/2003 dated 17th June 2003, of the licensee shall stand TERMINATED and recovery proceedings under

section 30 of the Act shall be initiated by the Authority against the company for recovery of dues as arrears of land revenue. While in case of payment and submission of annual audited accounts as per 4.1(a), the license shall be restored; and

- (c). PTCL is directed to forthwith terminate all telecommunication facilities extended to the licensee pursuant to the license, till further orders of the Authority.

(S. Nasrul Karim Ghaznavi)
Member (Finance)

Dr. Muhammad Yaseen
Member (Technical)

5. This determination is signed on _____ day of September, 2007 and comprises 03 pages.